

# **REVENUE HANDBOOK**

## **(Revised July 2003)**

### **Tax Levies and Other Revenues Descriptions and Legal Authority**

#### **LOCAL LEVY**

Based on the estimated valuation data received from the State Department of Assessments and Taxation, the revenue anticipated from local tax levies for FY04 is \$6,656,976, which represents a 6.7% increase from FY03.

#### **REAL PROPERTY TAX (Account 3011)**

**LEGAL CITATION:** Takoma Park City Charter, Section 912.

**SOURCE:** All real property within the corporate limits is subject to real property tax. The Charter limits the rate of taxation for general taxes to \$3.00 per \$100 of assessed property value.

**FORMULA:** Assessed valuation is determined by the State of Maryland; the State physically inspects all real property every three years. Any increase in value is phased in over a three-year period. The revenue projection is estimated at a 99.5% collection rate.

The FY03 tax rate was \$0.66 per \$100 cash value. The adopted FY04 tax rate is \$0.660 per \$100 cash value. As of FY97, stormwater revenues were no longer derived from the property tax. The City converted to a fee based system.

**COLLECTION:** Consolidated tax billing.

**CONTACT:** Montgomery County, Division of Revenue.

#### **PERSONAL PROPERTY TAX (Account 3020)**

**LEGAL CITATION:** Takoma Park City Charter, Section 917.

**SOURCE:** This represents tax collections on assessed personal property (inventory) of businesses and corporations operating in the City. The assessments are based on data received from the State Department of Assessments and Taxation office in Baltimore for corporation assessments, and State Department of Assessments and Taxation offices in Rockville for unincorporated business assessments.

**FORMULA:** Section 912 of the City Charter limits the rate of taxation on personal property to \$3.00 per \$100 of assessed valuation. The FY04 tax rate is \$1.65 per \$100

assessed value, the same rate as applicable to real property.

The FY04 revenue represents estimated collections. Budgeted revenue is based on City collection experience, not the full assessable base certified by the State.

**COLLECTION:** Consolidated tax billing beginning in FY01.

**CONTACT:** Montgomery County, Division of Revenue.

### **RAILROAD AND PUBLIC UTILITIES (Account 3030)**

**LEGAL CITATION:** Takoma Park City Charter, Sections 911 and 912.

**SOURCE:** This represents receipt of real property taxes levied on the public utilities (e.g., Washington Gas, PEPCO, Bell Atlantic Telephone Company, etc.).

**FORMULA:** The revenue is projected at a 99.5% collection rate.

**COLLECTION:** Billing will be done by Montgomery County based on assessment information received from State Department of Assessments and Taxation Office in Baltimore.

**CONTACT:** Montgomery County, Division of Revenue.

### **PENALTIES AND INTEREST - DELINQUENT (Account 3040)**

**LEGAL CITATION:** Takoma Park City Charter, Section 915.

**SOURCE:** This account represents the collection of penalties and interest on delinquent real and personal property tax accounts, and multi-family refuse and license billings.

**FORMULA:** Taxes 8% interest per year, 12% penalties per year, refuse 10%.

**COLLECTION:** Taxes - October 1 of each year.  
Refuse - February of each year.

**CONTACT:** City of Takoma Park.

### **ADMISSION AND AMUSEMENT TAX (Account 3050)**

**LEGAL CITATION:** Annotated Code of Maryland, Tax General Article, Sections 4-102 through 4-105, and Section 2-202.

**SOURCE:** State law provides for a municipal levy of a tax on the gross receipts of a wide variety of entertainment and amusement activities which take place within municipal boundaries.

FORMULA: The gross receipts may be taxed at a rate up to 10 percent. However, if the activity is also subject to a State sales tax or use tax, the combined total tax on gross receipts must not exceed 10 percent.

City Council adopted Ordinance 1992-16 on May 26, 1992 increasing the tax levy from 4 1/2% to 10% of gross receipts effective July 1, 1992.

COLLECTION: Every firm or person subject to the tax is required to pay their respective taxes to the State Comptroller by the 10th of each month. The Comptroller deducts and retains an amount of revenue sufficient to cover the costs of administering the program. The balance of the taxes collected is paid back to the respective governments within twenty days after the end of each calendar quarter.

CONTACT: State of Maryland, Income Tax Division.

#### **ADDITIONS AND ABATEMENTS (Account 3060)**

LEGAL CITATION: Takoma Park City Charter, Section 914.

SOURCE: This category represents the collection or disbursements of prior year's taxes.

FORMULA: None.

COLLECTION: Monthly.

CONTACT: Montgomery County, Assessment Office.

#### **TAXES - STATE SHARED**

In FY04, taxes shared by the State (e.g. income tax) are projected for a large decrease over the FY03 estimated receipts. This increase comes from income taxes and highway revenues.

Montgomery County has adopted a County "piggyback" income tax of 60%, a figure which impacts the amount the City will receive in income tax revenue.

#### **HIGHWAY USER REVENUES (Account 3120)**

LEGAL CITATION: Annotated Code of Maryland, Transportation Article, Sections 8-401 thru 8-413 and Section 12-118(b)(2).

SOURCE: These funds are derived from the Gasoline and Motor Vehicle Revenue Account in the Transportation Trust Fund, including: the gasoline tax, vehicle titling tax, and specified vehicle registration fees.

FORMULA: Highway user revenues are divided among the State (70%) and the counties and

municipalities (30%). Baltimore City receives the greater of \$157.5 million or 11.5% of the State's revenues and the counties and municipalities receive 30% of the State's revenues less the amount distributed to Baltimore City. Funds within the county areas are then divided between the county and municipalities located within a given county. One-half of the funds are divided between the county and the municipalities on the basis of proportionate road mileage. The other half of the funds are divided between the county and municipalities on the basis of motor vehicle registrations.

It is important to note that changes in this revenue source affect the Montgomery County double taxation rebate for road maintenance. As the State revenue increases, the County rebate decreases and conversely as the State revenue decreases, the County rebate increases.

**COLLECTION:** Monthly with a 2-month delay.

**CONTACT:** State of Maryland, Highway Administration.

### **INCOME TAXES (Account 3130)**

**LEGAL CITATION:** Annotated Code of Maryland, Tax General Article, Section 2-607.

**SOURCE:** State law provides the authority for the disbursement of State income tax to municipalities.

**FORMULA:** The Comptroller is required to annually certify the amount of State income tax liability of the residents of each municipality and return 8.5% of that total to the respective local government. These payments are deducted from the county share of the local income tax. Each county and Baltimore City are required to levy a local income tax equivalent calculated as a percentage of the State income tax liability of City residents (e.g. 50%). General Assembly action during the 1992 session gave Counties the authority to increase the income tax levy to a maximum of 60% of State tax liability. Historically, both Montgomery and Prince George's Counties increased the tax levy rate to 60%, effective July 1, 1992. Prince George's tax rate reduced to 58% in January 1995 and was increased to 60% effective January 1996.

**COLLECTION:** Quarterly set amounts--based on estimated collections. Monthly--based on actual collections.

**CONTACT:** State of Maryland, Income Tax Division.

### **LICENSES AND PERMITS**

License and permit revenues for FY04 are projected to decrease from FY03 receipts by \$19,604. During FY98 the City received funds from a one-time right-of-way construction permit issued to Metro Fiber

Systems of Baltimore (MFS) for installation of fiber optic cable along Ethan Allen and Philadelphia Avenues. The company has since filed for bankruptcy.

#### **EXCAVATION AND DRIVEWAY PERMITS (Account 3220)**

**LEGAL CITATION:** Takoma Park City Code, Chapter 11, Sections 11-15 through 11-23.

**SOURCE:** This revenue comes from the issuance of permits to individuals/businesses installing driveway aprons on their premises. Utility companies also pays a permit fee for excavation in City streets.

**FORMULA:** Fee schedule.

**COLLECTION:** Fee due at time permit is issued.

**CONTACT:** Takoma Park, Public Works.

#### **TRADERS LICENSES (Account 3230)**

**LEGAL CITATION:** Annotated Code of Maryland, Business Regulation Article, Sections 17-206, 17-305 and 17-1804.

**SOURCE:** This category represents revenue received from licenses issued to businesses such as chain stores, restaurants, bowling alleys, etc.

**FORMULA:** The State collects (through the Clerks of the Courts) the fees for the licensed activities and returns them to the local government in their entirety, less certain administrative expenses. Three percent of the fees are paid into the State general fund. In Montgomery County, three percent of the fees are retained by the Clerk of the Court, with the remaining 94% paid to the City. For years prior to July 1, 1997, Prince George's County Clerk of the Court retained five percent, with the remaining 92% remitted to the City.

**COLLECTION:** Monthly.

**CONTACT:** State of Maryland.

#### **TAKOMA JUNCTION LAND LICENSE (Account 3240)**

**LEGAL CITATION:** Agreement executed July 28, 1998 between the City and the Co-op.

**SOURCE:** This category represents the license fee agreed to between the City and the Takoma/Silver Spring Food Co-op that gives the Co-op the right to parking on the City owned vacant lot in Takoma Junction.

**FORMULA:** Bi-annual billing based on terms of agreement.

COLLECTION: Twice a year.

CONTACT: City of Takoma Park.

**TREE PERMITS (Account 3250)**

LEGAL CITATION: Takoma Park City Code, Chapter 12, Section 12-24.

SOURCE: Fees for removal of trees.

FORMULA: The City collects a permit fee of \$25 prior to the removal of a tree. Also, applicants can choose to pay an in lieu of tree replacement fee instead of replanting trees that they may be required to replant under the tree ordinance. In the event in-lieu-of-tree replacement fees are paid, the funds are put in the tree fund for city purchase of replacement trees.

COLLECTION: Fee due at time permit is issued.

CONTACT: Takoma Park, Department of Public Works.

**PARKING PERMITS (Account 3260)**

LEGAL CITATION: City Code, Chapter 13, Section 13-63.1 and Administration Regulation 98-1.

SOURCE: The City collects fees from City residents who are issued residential parking permits for designated areas.

FORMULA: Residents in designated parking permit areas pay a fee of \$10 per parking permit. During FY98 City Council authorized a change in the permit parking program to a biennial program with parking permits issued for a two year term beginning in June, 1998 at a permit fee of \$20.

COLLECTION: Fee due at time permit is issued.

CONTACT: Takoma Park, Police Department.

## **REVENUE FROM OTHER AGENCIES**

Intergovernmental receipts for FY04 are projected at a 1.7% increase over FY03 budgeted revenues. The revenue sources include Montgomery double taxation rebates, State Aid for Police services, in lieu payments for tax exempt County property (Takoma Towers), Cable fees from the County-City cable franchise agreement, etc. The increase in some County double taxation rebates are due in part to the County formulas that have elements that increase annually (e.g. assessable base). Revenue increases are projected for State aid police services.

### **POLICE PROTECTION (Account 3310)**

**LEGAL CITATION:** Annotated Code of Maryland, Article 88B, Sections 64 through 69.

**SOURCE:** State law provides for a State Aid for Police Protection grant to political subdivisions throughout the state.

**FORMULA:** The grant is based on an annual report of police expenditures by the City which is submitted to the Maryland State Police.

**COLLECTION:** Quarterly.

**CONTACT:** Maryland State Police.

### **SCCP GRANT (Account 3313)**

**LEGAL CITATION:** Agreement between City and Montgomery County.

**SOURCE:** This is a state grant administered by the Montgomery County Interagency Coordinating Board and received by the Recreation Department grant for use of schools after hours, designated for programs focused on leadership.

**FORMULA:** Takoma Park receives \$3,050 as an annual grant.

**COLLECTION:** Twice a year.

**CONTACT:** Takoma Park, Recreation Department.

### **BANK SHARE TAX (Account 3315)**

**LEGAL CITATION:** Annotated Code of Maryland, Article 25, Section 220.

**SOURCE:** This revenue item as originally established was discontinued in 1968. It represented a tax imposed on the shares of stocks of banks and finance corporations in the State. The State compensates the counties for their loss of revenues from this item; the counties, in turn, compensate municipalities for their

revenue loss equal to the amount they received in the 1967-68 fiscal year.

FORMULA: Takoma Park receives \$5,643 as an annual grant.

COLLECTION: Twice a year.

CONTACT: Montgomery County.

#### **MONTGOMERY COUNTY - LIBRARY AID (Account 3321)**

LEGAL CITATION: Montgomery County Code Section 2-53.

SOURCE: Since the 1950's the City has received a rebate from Montgomery County for library services that the City provides in lieu of County services. The authority for this rebate was in Montgomery County Code, Section 2-53 and it included language that stated that any bi-county municipality was eligible to receive this rebate. The rebate has been calculated as a tax differential amount; the County library costs is converted into a property tax rate equivalent which is multiplied by the City's Montgomery County section assessable base. When the City ceased to be a bi-county city on July 1, 1997, the County Code section became obsolete. The County Executive and County Council both agreed to continue the library rebate in FY98 as a transition year, during which time the policy of the County rebate would be reviewed. The County Executive agreed during FY98 to continue the rebate during FY99 for an additional year. The County Council approved the FY99 library rebate at the same level as FY98 and agreed to make a decision on continuation of the library rebate beyond FY99. Beginning FY00, the Montgomery County Council has approved an annual payment for the City Library.

FORMULA: Payment will be the amount which would be realized if that portion of the general county ad valorem tax rate on real and personal property attributable to the appropriation for the Department of Public Libraries for that fiscal year were levied against the assessed value, on the preceding county date of finality, of the real and personal property in that municipality.

COLLECTION: Three times a year.

CONTACT: Montgomery County.

#### **MONTGOMERY COUNTY - POLICE REBATE (Account 3323)**

LEGAL CITATION: Montgomery County Code, Section 35-5.

SOURCE: This revenue category constitutes a rebate from Montgomery County for police services.

FORMULA: Rebates is calculated at a rate of \$0.048 per \$100 cash property value of property



in the Montgomery Section of Takoma Park. As the City's assessable base increases or decreases annually, the County rebate will either increase or decrease.

**COLLECTION:** October of each year.

**CONTACT:** Montgomery County, Budget Department.

### **MONTGOMERY COUNTY - IN LIEU OF POLICE (Account 3325)**

**LEGAL CITATION:** Article 81, Section 32A, of the State Annotated Code and Montgomery County Code 30A, by Resolution 9-1752 of the County Council.

**SOURCE:** This category is municipal revenue sharing funds. The revenue estimate reflects a police rebate agreement that should be executed with Montgomery County during FY03.

**FORMULA:** The rebate formula reflects the amount the County would spend to provide police services to the City based on the number of calls for service the City receives (time weighted formula) and the County salaries of patrol officers and sergeants, and cost of County vehicles and equipment for the fiscal year, two years previous.

**COLLECTION:** October of each year.

**CONTACT:** Montgomery County, Budget Office.

### **MONTGOMERY COUNTY - IN LIEU OF ROAD MAINTENANCE (Account 3326)**

**LEGAL CITATION:** Montgomery County Code 30A, Council Resolution 9-1752.

**SOURCE:** County Code authorizes municipal revenue sharing disbursements to municipalities in Montgomery County for City maintenance of municipal roads that are in the county.

**FORMULA:** In 1996, a municipal-County double taxation task force came up with a new road maintenance rebate formula that is based on County expenditures for various eligible road activities as well as gives credit to municipalities for the number of bridges and traffic signals maintained. The formula operates on a two year lag basis. For FY00, municipalities will receive a rebate based on County expenditures incurred in FY98.

Increases or decreases in this double taxation revenue are affected by the amount of Highway User revenues received by the County and the cost of County capital improvement projects. A reduction in County road improvement spending could result in a reduction in this rebate. However, State Highway revenue reductions

could result in an increase in the rebate from Montgomery County.

COLLECTION: October of each year.

CONTACT: Montgomery County, Budget Office.

**MONTGOMERY COUNTY - IN LIEU OF PARKS MAINTENANCE  
(Account 3328)**

LEGAL CITATION: Montgomery County Code, Section 30A.

SOURCE: This revenue is disbursed to the City through the County municipal revenue sharing program.

FORMULA: It is disbursed as payment in lieu of County services in the City. The FY03 budget figure is based on the FY01 County rebate plus inflation.

COLLECTION: October of each year.

CONTACT: Montgomery County, Budget Office.

**MONTGOMERY COUNTY - IN LIEU OF CROSSING GUARDS  
(Account 3329)**

LEGAL CITATION: Montgomery County Code, Section 30A.

SOURCE: This revenue is disbursed to the City through the County municipal revenue sharing program. It is disbursed as payment in lieu of County services for crossing guard services provided by the City at County school crossings.

FORMULA: The budgeted figure is based on FY01 City expenditures for crossing guards which do not exceed the County's allowable cap for County crossing guard salary and fringe expenditures.

COLLECTION: October of each year.

CONTACT: Montgomery County, Budget Office.

**MONTGOMERY COUNTY REVENUE AUTHORITY - IN LIEU OF  
TAXES (Account 3330)**

LEGAL CITATION: Agreement between City and Montgomery County.

SOURCE: This revenue account represents collection of revenue from Montgomery County Revenue authority in lieu of property taxes for Takoma Towers, a Section 202 Elderly Housing site.

FORMULA: Increases in revenue from this PILOT are based on increased rents at the Towers.

COLLECTION: Quarterly.

CONTACT: Montgomery County, Revenue Authority.

#### **TAKOMA RECREATION CENTER AGREEMENT (Account 3333)**

LEGAL CITATION: Agreement between City and Montgomery County Recreation Department.

SOURCE: The unification legislation passed by the General Assembly in 1994 described the conditions for the unification of the City of Takoma Park into one County and the transfer of County owned property to another County. As of July 1, 1997, the Takoma/Langley Recreation Center was transferred from Prince George's County Park and Planning Commission to Montgomery County Park and Planning Commission. The City and Montgomery County Recreation Department entered into an agreement for FY98 that the City would operate the recreation center located on New Hampshire Avenue and would receive a \$158,000 grant to support operations and the City would remit to the County the first \$40,000 in program revenues received.

FORMULA: For FY04, the one year agreement was extended; the County grant is \$100,000 and the City retains any program revenues received.

COLLECTION: Quarterly.

CONTACT: Montgomery County, Recreation Department.

#### **HOTEL-MOTEL TAX (Account 3344)**

LEGAL CITATION: Montgomery County Code, Section 52-17(d).

SOURCE: House Bill 869 was passed in the 1994 Maryland General Assembly session phasing in distribution to municipal corporations of a certain portion of the Prince George's County hotel-motel tax revenue collected from hotels and motels located in municipal corporations.

FORMULA: In FY95 the City received 25% of the County hotel-motel tax revenue generated from the Hampshire Motor Inn; in FY96 the City received a 50% share of the hotel-motel tax revenues generated. During the 1995 General Assembly session, the City successfully pursued local legislation that would be applicable in Montgomery County, for formerly bi-county cities to receive a 50% share of the County hotel-motel. This allowed for the continuation of this revenue after unification. As of July 1, 1997, the City has received a 50% share of the Montgomery County hotel/motel tax paid by the Hampshire Motor Inn.

COLLECTION: Monthly.

CONTACT: Montgomery County, Finance Department.

**CABLE FEES (Account 3350)**

LEGAL CITATION: Takoma Park City Council Resolution #2000-43 regarding the ownership of the Cable Franchise.

SOURCE: This revenue account represents franchise fees collected from Cable TV Montgomery for FY03.

FORMULA: The municipalities and County agreed to a change in the fee distribution. Prior to July 1, 1998 municipal co-franchisers with the County only received 40% of the franchise fees. For FY03 municipalities will keep 70% of the cable franchise fees. The total franchise fee is based on the number of Cable TV subscribers in Takoma Park and represents 5% of gross revenues.

COLLECTION: Quarterly.

CONTACT: Takoma Park, Telecommunications Manager and Montgomery County Cable Office.

**CABLE FEES (Account 3351)**

LEGAL CITATION: Documented in Franchise Agreement and MOU between the City and County.

SOURCE: This account represents revenue from the cable operator for the operation of the City's cable channel.

FORMULA: The Cable operator provides a grant to fund the City's cable channel for fifteen years, beginning with FY98. The funding for the first two year will be \$50,000 with CPI adjustments for the next thirteen; concurrent the length of the Franchise.

COLLECTION: Quarterly.

CONTACT: Takoma Park, Telecommunications Manager and Montgomery County Cable Office.

**SERVICE CHARGES**

Service charges are fees for City services like public parking, the licensing and inspection of multi-family rental units and fees for activities offered by the City's Recreation Department.

**PROTECTIVE INSPECTION FEES (Account 3420)**

LEGAL CITATION: City Code, Chapter 6, Article 9, Division 1, Section 6-107.

SOURCE: This account represents the collection of licenses, registration and inspection fees for multi-family dwellings in the City.

FORMULA: In January, 1992 the City implemented a biennial inspection program, exempting those owners whose properties consistently remain free of code violations from paying annual licensing and inspection fees on alternate years. FY94 and subsequent years' revenues have been based on the increase in the licensing and inspection fees from \$48 to \$62 per unit as approved by Council Ordinance 1993-23 as well as the alternate year revenues from those properties on the biennial program. For FY 99 an increase was proposed in the fee to \$72 per unit and City Council approved a fee of \$68 per unit. Beginning in FY00 the rate will be adjusted by the local CPI.

COLLECTION: Annual billing.

CONTACT: Takoma Park, Finance Department.

#### **COMMERCIAL INSPECTIONS (Account 3421)**

LEGAL CITATION: Takoma Park City Charter, Sec. 6-202.

SOURCE: This account represents the collection of commercial and inspection fees for business owners in the City.

FORMULA: \$75.00 for business premises up to 15,000 square feet of enclosed area; \$150.00 for business premises between 15,001 square feet and 45,000 square feet of enclosed area; and \$225.00 for business premises containing more than 45,001 square feet of enclosed area. Fees are due and payable thirty (30) days after billing.

COLLECTION: Annual billing.

CONTACT: Takoma Park, Finance Department.

### **DONATIONS (Account 3430)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This revenue account represent funds anticipated to be donated for general or specific projects during FY04.

FORMULA: None.

COLLECTION: No schedule.

CONTACT: Takoma Park, Finance Department.

### **PUBLIC PARKING FACILITIES (Account 3440)**

LEGAL CITATION: Takoma Park City Code, Chapter 13, Division 2.

SOURCE: Metered parking is provided in the City. This account reflects the anticipated coin collection from parking meters for FY04 based on FY03 collections.

FORMULA: Amount indicated on meter pursuant to City Code.

COLLECTION: Weekly.

CONTACT: Takoma Park, Police Department.

### **WASTE COLLECTION AND DISPOSAL CHARGES (Account 3450)**

LEGAL CITATION: Takoma Park City Code, Chapter 10, Article 3.

SOURCE: This revenue accounts for the collection of fees for refuse disposal from multi-family units in the City.

FORMULA: Beginning in FY00 these fees will be increased from \$100 per year to \$115 per year per rental unit. In FY93, City Council authorized a recyclable collection fee of \$50 per unit, a charge to rental property owners who decide to keep private haulers for their collection but want recycling collection from the City. FY00 budgeted revenues reflects prior years' collection history. In FY98 the City purchased two new trash trucks equipped with dumpster lifts with the intent of offering dumpster pick ups to rental property owners in the City. For FY03, the City will provide dumpsters to property owners who sign onto City trash collection service. An expansion of the City's trash collection will mean additional revenues. This revenue account is budgeted at an increase from last year and represents the estimate of increased revenue from an expanded program.

COLLECTION: Annual billing.

CONTACT: Takoma Park, Finance Department.

**RECREATION CLASS FEES (Account 3460)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This account receives all fees charged for Recreation classes.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Recreation Department.

**SPORTS (Account 3461)**

LEGAL CITATION: Takoma Park City Budget(Revenue Source).

SOURCE: These revenues are generated from the collection of fees for Sports activities.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Recreation Department.

**YOUTH OUTREACH FEES/PROGRAM ACTIVITY REVENUES  
(RECREATION) (Account 3464)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: For FY93 a new revenue line item was created to account for program revenues and fees collected from Youth Outreach participants for program activities like the registration for the Moonlight Basketball leagues and program revenues from the sale of tickets to Youth Outreach programs.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Recreation Department.

**SPECIAL PROGRAMS (RECREATION) (Account 3465)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

**SOURCE:** A new revenue line item was created in FY93 to account for revenues from special programs sponsored by the Recreation Department (e.g., tickets sold for the Halloween Haunted house).

**FORMULA:** Fee schedule.

**COLLECTION:** Daily.

**CONTACT:** Takoma Park, Recreation Department.

### **CAMPS (RECREATION) (Account 3466)**

**LEGAL CITATION:** Takoma Park City Budget (Revenue Source).

**SOURCE:** A new recreation program begun in FY93 expanded in FY96 and again in FY97.

**FORMULA:** This expansion, plus a FY96 fee policy which more fully covers the costs of offering these camps, has resulted in higher projected revenues than previous years, though some of those revenue increases are offset by camp scholarships. If minimum registration levels do not occur, some camps will be canceled; if canceled these estimated revenues will not be met, and the corresponding operating expenses will also be eliminated.

**COLLECTION:** Daily.

**CONTACT:** Takoma Park, Recreation Department.

### **AFTER SCHOOL PROGRAMS (Account 3467)**

**LEGAL CITATION:** Takoma Park City Budget (Revenue Source).

**SOURCE:** In FY01, the major goals of the After School Programs will be to increase participation levels, provide safe, affordable child care to elementary age youth during the after school hours. Specific emphasis will be placed on quality programming and developing staff child care certification.

**FORMULA:** Fee schedule.

**COLLECTION:** Daily.

**CONTACT:** Takoma Park, Recreation Department.

### **FACILITY RENTAL (Account 3469)**

**LEGAL CITATION:** Takoma Park City Budget (Revenue Source).



**SOURCE:** During FY 97 City Council approved a fee schedule for the rental of City facilities like the Heffner Building and rooms in the municipal building. Fees collected from private groups using City facilities are credited to this revenue account.

**FORMULA:** Fee schedule.

**COLLECTION:** Daily.

**CONTACT:** Takoma Park, Recreation Department.

**FINES - LIBRARY (Account 3470)**

**LEGAL CITATION:** Takoma Park City Budget (Revenue Source).

**SOURCE:** The Library collects fines on overdue items that are checked out by library patrons.

**FORMULA:** \$0.25 daily - adult books up to \$10.00 maximum.  
\$0.10 daily - children's books up to \$5.00 maximum.  
\$0.10 daily - magazines

**COLLECTION:** Daily.

**CONTACT:** Takoma Park, Library.

**TAKOMA LANGLEY CONTRACTUAL SERVICES (Account 3471)**

**LEGAL CITATION:** Takoma Park City Budget (Revenue Source)

**SOURCE:** These revenues are generated from the classes held at the Takoma Langley Recreation Center by outside contractors.

**FORMULA:** Fee schedule.

**COLLECTION:** Daily.

**CONTRACT:** Takoma Park, Recreation Department

### **TAKOMA COMMUNITY CENTER MEMBERSHIP FEES (Account 3472)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: The City collects a membership fee ranging between \$15-80 per person, for regular access to the gym and weight room.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Recreation Department.

### **TAKOMA COMMUNITY CENTER FACILITY RENTAL (Account 3473)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: The City collects fees for the rental of the gym at the community center. The City began its operation of the Recreation Center as of July 1, 1997 and rental fees began to be charged during the latter part of FY98.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Recreation Department.

### **TAKOMA COMMUNITY CENTER PROGRAMS (Account 3474)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: The City collects program fees from programs conducted at the Community Center (e.g. Computer Camps, Adult open gym).

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Recreation Department.

### **RENTAL-INCOME MONTGOMERY COUNTY (3476)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: MOU to be entered into with Montgomery County for rental of City property for temporary fire house.

FORMULA: To be determined.

COLLECTION: To be determined.

CONTACT: Takoma Park, Finance Department.

### **FINES AND FORFEITURES**

FY04 fines and forfeitures are budgeted to increase \$55,000 from the FY03 budget. The increase more accurately reflects collections in the two previous fiscal years. The City has a contract for out-of-state ticket collection through MVA's in all 49 states and in-state collection of Maryland tickets.

The comprehensive parking program begun in the latter part of FY91 included reestablishing participation in the State flagging program by tracking unpaid parking tickets and notifying the State Motor Vehicle Administration, which holds up Maryland drivers tag renewals until all outstanding tickets are paid.

Other fines are dependent on citation activity by the Police and Code Enforcement based on violations that occur during the fiscal year. The most unpredictable revenue source is forfeitures from drug enforcement seizures by the Police Department. The latter account was newly created for FY90 to track the drug related seizures of cash and property separately from other types of forfeitures.

### **ADMINISTRATIVE FEES PARKING (Account 3510)**

LEGAL CITATION: Takoma Park Revenue Source (City Budget)

SOURCE: This account represents revenue from the collection of delinquent parking tickets.

FORMULA: The City collects an additional \$15.00 per delinquent ticket to compensate for the City's additional time spent on collection processes.

COLLECTION: Daily.

CONTACT: Takoma Park, Police Department.

### **SUMMONS AND FORFEITURES (Account 3520)**

LEGAL CITATION: Takoma Park City Code, Chapter 13, Article 4, Division 2.

SOURCE: This revenue account represents the collection of police summonses, parking violation tickets, parking meter violations (i.e. expired meters) and forfeitures collected as a result of violations issued by police officers and one civilian parking enforcement officer who also write citations for non-parking meter violations.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Police Department.

#### **MUNICIPAL INFRACTIONS (Account 3530)**

LEGAL CITATION: Takoma Park City Code, Chapter 10, Article 7.

SOURCE: The Code authorizes the issuance of a fine for violations of Sections 10-6, 10-8, 10-22, 10-23, 10-28, 10-32 and 10-43 of the City Code. This revenue account represents the collection of municipal infraction fines, principally for those municipal infraction citations written by City of Takoma Park Code Enforcement Officers.

FORMULA: Fine schedule (Takoma Park City Code, Chapter 1. General Provisions, Section 1-19. Municipal infractions).

COLLECTION: Daily.

CONTACT: Takoma Park, Code Enforcement Division.

#### **FORFEITURES (DRUG SEIZURES) (Account 3540)**

LEGAL CITATION: Annotated Code of Maryland, Article 27, Section 297.

SOURCE: Drug enforcement activity by the Police has resulted in the seizure of cash and property which, in prior years, has subsequently been released to the City upon completion of legal forfeiture proceedings. At the instruction of Mayor and Council, a separate budget line item was created in FY90 to account for cash forfeitures that have been released to the City.

FORMULA: Given the unpredictable nature of this revenue stream, a conservative approach is taken in budgeting for this revenue from year to year.

COLLECTION: Upon completion of legal forfeiture proceedings.

CONTACT: Takoma Park, Police Department.

#### **MISCELLANEOUS REVENUES**

Revenue in the miscellaneous category fluctuates from year to year, particularly as the City borrows for capital project funding.

### **LOAN PROCEEDS (Account 3606)**

LEGAL CITATION: Takoma Park City Budget.

SOURCE: This account represents monies borrowed from lenders to pay for long-term financing.

FORMULA: Based on amounts needed for projects.

COLLECTION: Based on drawn-down schedule.

CONTACT: Takoma Park, Finance Department.

### **INTEREST AND DIVIDENDS (Account 3610)**

LEGAL CITATION: Annotated Code of Maryland, Financial Institutions Article, Section 5-301.

SOURCE: This revenue account represents interest earned on investment of City funds.

FORMULA: Based on investments.

COLLECTION: Monthly.

CONTACT: Takoma Park, Finance Department.

### **SALE OF IMPOUNDED PROPERTY (Account 3620)**

LEGAL CITATION: Annotated Code of Maryland, Transportation Article Section 25-203 through 25-207.

SOURCE: This revenue account represents funds collected as the proceeds from the sale of property impounded by the Police Department.

FORMULA: This is an unpredictable revenue source which is dependent on the number of abandoned vehicles and property sold at auction and the sale of impounded property taken in drug seizure related cases. FY03 revenues are projected according to past history of collections.

COLLECTION: Payment at time of auction.

CONTACT: Takoma Park, Police Department.

### **COPYING (Account 3630)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This revenue account includes fees collected for photo-copying services provided by the City to the public, primarily from the coin-op Library copy machine.

FORMULA: \$0.10 / page.

COLLECTION: Payment at time of copying.

CONTACT: Takoma Park, Finance Department.

**ADVERTISING-BUS SHELTERS (Account 3640)**

LEGAL CITATION: Takoma Park City Budget.

SOURCE: Monies collected for this account are based on the number of advertising shelters located in the City.

FORMULA: Fee based.

COLLECTION: Twice a year.

CONTACT: Takoma Park, Finance Department.

**FARMERS' MARKET (Account 3650)**

LEGAL CITATION: City of Takoma Park Resolution #2000-22.

SOURCE: This revenue account represents collection of rental fees for vendors renting space on City property.

FORMULA: \$60.00 / week

COLLECTION: Weekly during months of operation.

CONTACT: President, Farmers Market

### **MISCELLANEOUS - OTHER (Account 3680)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: These accounts represent miscellaneous revenue collections from the sale of City maps, and fees for police reports, and any other unanticipated source of revenue that comes in during the fiscal years.

FORMULA: FY04 receipts are based on collection history.

COLLECTION: Daily.

CONTACT: Takoma Park, Finance Department.

### **TELEPHONE COMMISSIONS (Account 3681)**

LEGAL CITATION: Contract between City and Bell Atlantic.

SOURCE: This account was first proposed for FY93 to separate out (from the Miscellaneous-Other category), and track the commissions received from pay phones operated on public property.

FORMULA: FY04 receipts are budgeted based on collection history.

COLLECTION: Monthly.

CONTACT: Bell Atlantic.

### **RECYCLABLE SALES (Account 3682)**

LEGAL CITATION: Agreement between City and Southeast Recycling.

SOURCE: This account was first proposed for FY93 to separate out (from the Miscellaneous-Other category), and track the amount of revenue produced from the sale of recyclables. FY96 and 97 receipts were unusually high due to high newsprint prices. In FY03 the City will continue to receive revenues from the sale of cardboard and mixed paper.

FORMULA: Current market prices.

COLLECTION: Monthly.

CONTACT: Takoma Park, Department of Public Works.

### **INSURANCE CLAIM PAYMENTS (Account 3683)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This revenue category was first proposed in FY93 to track insurance claim payments received from the Local Government Insurance Trust for coverage of damaged City property.

FORMULA: Cost of replacement less deductible.

COLLECTION: Variable.

CONTACT: Takoma Park, Human Resources / Risk Management.

### **SALE OF CITY PROPERTY (Account 3684)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This provides tracking of revenue from sale of surplus City property like furniture, vehicles, large pieces of equipment (e.g. leaf vacuums).

FORMULA: Included in City Auctions.

COLLECTION: At time of sale.

CONTACT: Takoma Park, Police Department.

### **MULCH SALES (Account 3685)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This account was initiated in FY95 to track revenue from the sale of leaf mulch, a product resulting from the City's processing of leaves collected in the fall from City streets. Budget revenues continue to be estimated conservatively.

FORMULA: Fee schedule.

COLLECTION: March - August.

CONTACT: Takoma Park, Department of Public Works.

### **PASSPORT APPLICATIONS (Account 3687)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: A new source of revenue was proposed by staff. During the last quarter of FY98



City staff were trained by the US State Department and the City became a passport acceptance site for persons applying for US passports.

FORMULA: The passport application fee is \$85; \$55 goes to the US State Department and \$30 is retained by the City as a processing fee.

COLLECTION: Monday through Wednesday of each week.

CONTACT: Takoma Park, Administration Office.

**SPECIAL TRASH PICK-UP (Account 3689)**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: Residents.

FORMULA: Fee schedule.

COLLECTION: Daily.

CONTACT: Takoma Park, Public Works.

**WAH NURSING HOME PAYMENT-IN-LIEU OF TAXES (PILOT)  
(Account 3696)**

LEGAL CITATION: Agreement between the City and the Washington Adventist Nursing and Rehabilitation Center, Inc.

SOURCE: An agreement was executed between the City and the Washington Adventist Nursing and Rehabilitation Center, Inc., for annual payments to the City in recognition of City services received by the Corporation and for which as a non-profit entity it has become exempt from paying real property tax.

FORMULA: The City will be negotiating a new agreement during FY04. The City received graduated payments from the Corporation for eight years--a total of \$136,000. In FY93 the payments began at \$10,000, and increased by \$2,000 increments each year, ending in FY00.

COLLECTION: Annual.

CONTACT: Takoma Park, Finance Department.

### **WAH HOSPITAL PILOT (Account 3697)**

LEGAL CITATION: Agreement between the City and the Washington Adventist Hospital.

SOURCE: The 1991 agreement established a payment in lieu of taxes schedule.

FORMULA: Payment of \$26,000 is made to the City, on the third anniversary of the industrial revenue bonds issued by the City on behalf of the Hospital and for payment every year thereafter as long as the bonds are outstanding.

COLLECTION: Annual.

CONTACT: Takoma Park, Finance Department.

### **EDINBURGH PILOT (Account 3698)**

LEGAL CITATION: Agreement between the City and the Montgomery Housing Partnership.

SOURCE: The FY96 agreement with the Montgomery Housing Partnership, owners of the Edinburgh House apartment building, established a time-limited phase back of City property taxes and a payment to the City in lieu of those taxes in order to assist in the comprehensive rehabilitation of those apartment units.

FORMULA: 50% of total property taxes due.

COLLECTION: Annual.

CONTACT: Takoma Park, Finance Department.

### **SURPLUS/RESERVES**

#### **APPROPRIATED SURPLUS / RESERVES (Account 3660)**

LEGAL CITATION: Takoma Park City Budget.

SOURCE: These accounts include funds appropriated from surplus/capital reserves by the City Council. The FY04 Budget absorbs \$990,000 in unappropriated funds from prior years. The draw down of \$217,000 from the Equipment Replacement Reserve fund is detailed in that section of the budget document. A \$16,000 Recreation Center Reserve is included as a reserve for FY04.

FORMULA: None.

COLLECTION: None.

CONTACT: Takoma Park, Finance Department.

### **STORMWATER MANAGEMENT**

LEGAL CITATION: Takoma Park City Charter, Section 1205.

SOURCE: All developed property other than government owned property within the corporate limits is subject to stormwater management fees or user charges.

FORMULA: Single family residential properties pay a fixed annual fee rate of \$28.68. All non-residential properties and multi-family properties will be charged a fee that is based on their actual impervious area.

COLLECTION: Annually.

CONTACT: Takoma Park, Finance Division.

### **SPECIAL REVENUE FUNDS**

LEGAL CITATION: Takoma Park City Budget (Revenue Source).

SOURCE: This fund accounts for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. Funds are not expended unless prior authorization of the award is received from the grant agency. Included in this group are Community Development Block Grant funds, Program Open Space grant funds for parks acquisition and development, and other County, State and Federal grants.

FORMULA: Based on the grant agreement. Some grants are 100% funded. Other grants require the City to provide a match.

COLLECTION: Based on the grant agreement.

CONTACT: Takoma Park, Finance Division.